

RECORDATION NO. 10556-4 Filed 1425

JUN 29 1979 - 1 22 PM

IN THE UNITED STATES OF AMERICA, CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

TELEX

RCA 233663

WUD 125547

WUI 620976

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INTERSTATE COMMERCE COMMISSION

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ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON

9-180A626

Date JUN 29 1979

Fee \$ 60.00

ICC Washington, D. C.

June 19, 1979

Peavey Company

Lease Financing Dated as of April 1, 1979

9.9% Conditional Sale Indebtedness Due October 31, 1994

[CS&M Ref: 4876-009]

Dear Mr. Homme:

Pursuant to 49 U.S.C. § 11303(a), I enclose herewith on behalf of Peavey Company, for filing and recordation, counterparts of the following:

(1) (a) Conditional Sale Agreement No. 1 dated as of April 1, 1979, among Chemical Bank, North American Car Corporation and Pullman Incorporated (Pullman Standard Division), and

(b) Agreement and Assignment No. 1 dated as of April 1, 1979, among Pullman Incorporated (Pullman Standard Division), North American Car Corporation and La Salle National Bank.

The addresses of the parties to the aforementioned agreements are:

Vendee-Lessor

Chemical Bank
55 Water Street
New York, N. Y. 10041.

RECEIVED
JUN 29 12 59 PM '79
I.C.C.
FEE OPERATION BR.

Counterparts. 10556-4

Vendor

North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

Builder-Vendor

Pullman Incorporated
(Pullman Standard Division)
200 South Michigan Avenue
Chicago, Illinois 60604

Agent-Vendor-Assignee

La Salle National Bank
135 South LaSalle Street
Chicago, Illinois 60690

The equipment covered by the aforementioned agreements consists of the following:

125 100-ton covered hopper cars, 4750 c.f. cap, AAR
Mechanical Designation LO, bearing identifying numbers
PVGX 1075-PVGX 1199, both inclusive:

Enclosed is our check for \$50 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt addressed to the undersigned.

Very truly yours,

Laurance V. Goodrich

Laurance V. Goodrich
As Agent for Peavey Company

H. G. Homme, Jr., Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

JUN 29 1979 - 1 20 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 4876-009]

AGREEMENT AND ASSIGNMENT

NO. 1

Dated as of April 1, 1979

among

PULLMAN INCORPORATED
(Pullman Standard Division),

NORTH AMERICAN CAR CORPORATION

and

LA SALLE NATIONAL BANK,

as Agent

AGREEMENT AND ASSIGNMENT NO. 1 dated as of April 1, 1979, among PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation (the "Builder"), NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NAC"), and LA SALLE NATIONAL BANK, a national banking association, acting as Agent under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), said Agent, as so acting, being hereinafter called the "Assignee".

WHEREAS the Builder, NAC and Chemical Bank (the "Vendee") have entered into a Conditional Sale Agreement No. 1 dated as of the date hereof (the "CSA") covering the construction, sale and delivery by the Builder and the purchase by NAC, and the sale and delivery by NAC and the purchase by the Vendee, of the railroad equipment described in Annex B to the CSA (the "Equipment"); and

WHEREAS the Vendee and Peavey Company (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment;

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (this "Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder and NAC, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. NAC hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of NAC in and to each unit of Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to NAC of the amount required to be paid pursuant to Section 4 hereof;

(b) all the right, title and interest of NAC in and to the CSA (except the right to deliver the

Equipment and the right to receive the payments specified in Paragraph 4.3(a) thereof and reimbursement for taxes paid or incurred by NAC), and except as aforesaid in and to any and all amounts which may be or become due or owing to NAC under the CSA on account of the indebtedness in respect of the Vendee Purchase Price (as defined in Paragraph 4.1 of the CSA) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all NAC's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against NAC for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder or NAC to deliver the Equipment in accordance with the CSA or with respect to their respective warranties and agreements referred to in Articles 14 and 20 of the CSA or relieve the Vendee from its obligations to the Builder or NAC contained in Articles 2, 3, 4, 6 and 14 of the CSA, it being agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 15 of the CSA, all obligations of the Builder or NAC to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder or NAC. In furtherance of the foregoing assignment and transfer, NAC hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for NAC, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder agrees that it will construct the Equipment in full accordance with the CSA. The Builder and NAC severally agree to deliver the same upon completion to the Vendee in accordance with the provisions

of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by the Builder or NAC, as the case may be. The Builder further agrees that it will warrant to the Assignee, NAC and the Vendee, and NAC further agrees to warrant to the Assignee and the Vendee, that at the time of delivery by each such party of each unit of its Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and NAC and the Builder each further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by such party under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to NAC, and NAC will not deliver any unit of Equipment to the Vendee, under the CSA until the CSA, the Lease, this Assignment and the Lease Assignment have been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 (the Builder and NAC being entitled to rely on advice from special counsel for the Assignee that such filing has occurred).

SECTION 3. The Builder and NAC severally agree (each such party hereinafter being called an "Indemnifier") with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Vendee Purchase Price of the Equipment or to enforce any provision of the CSA, the Indemnifier will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by such Indemnifier of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by such Indemnifier. The Indemnifier's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 15 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or

the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Indemnifier of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Indemnifier the right, at such Indemnifier's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give to the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to its Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon such Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Paragraph 4.2 of the CSA with respect to the Equipment of the Builder, shall pay to NAC an amount equal to the portion of the Vendee Purchase Price of the Equipment as shown on the invoice therefor then being settled for which, under the terms of Paragraph 4.3(b) of the CSA, is payable in installments, provided that the conditions specified in Paragraphs 6 and 7 of the Participation Agreement have been satisfied and there shall have been delivered to the Assignee (with a copy to NAC and the Vendee) on or prior to such Closing Date, the following documents, in form and

substance satisfactory to it and to Messrs. Cravath, Swaine & Moore, special counsel to the Assignee, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from the Builder to NAC acknowledging receipt by the Builder of full payment of the purchase price of such units, transferring to NAC and its successors and assigns all right, title and interest of the Builder in such units, warranting to NAC and its successors and assigns, to the Vendee and to the Assignee that, at the time of delivery to NAC of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder to NAC under the CSA;

(b) a bill or bills of sale from NAC to the Vendee transferring to the Vendee and its successors and assigns all right, title and interest (other than the security interest assigned to the Assignee) of NAC in such units, warranting to the Vendee and the Assignee that, at the time of delivery to the Vendee of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA, the Assignee under this Assignment and the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(c) a bill or bills of sale from NAC to the Assignee transferring to the Assignee the security interest of NAC in such units, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under

the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(d) a Certificate or Certificates of Acceptance on behalf of NAC, the Vendee and the Lessee with respect to the units of the Equipment as contemplated by Paragraph 3.4 of the CSA and § 2.1 of the Lease;

(e) NAC's Invoice (as defined in Paragraph 4.1 of the CSA) for the units of the Equipment accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(f) an opinion of counsel for the Builder, dated as of the Closing Date, addressed to the Assignee, NAC and the Vendee, to the effect that the bill or bills of sale described in clause (a) above have been duly authorized, executed and delivered by the Builder and are valid and effective to transfer to NAC all right, title and interest of the Builder in the units of the Equipment, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA and the rights of the Lessee under the Lease) arising from, through or under the Builder;

(g) an opinion of counsel for NAC, dated as of the Closing Date, addressed to the Assignee and the Vendee, to the effect that the bill or bills of sale described in clause (c) above have been duly authorized, executed and delivered by NAC and are valid and effective to vest in the Assignee the security interest of NAC in the units of the Equipment, free from all claims, liens, security interests and other encumbrances at the time of delivery to the Vendee (other than those created by the CSA and the rights of the Lessee under the Lease) arising from, through or under NAC; and

(h) a receipt from NAC for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to NAC with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amount required to be paid by it pursuant to Paragraph 4.3(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to NAC, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 15 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder and NAC each hereby

(a) represents and warrants to the Assignee, the Vendee and their respective successors and assigns, and in the case of the Builder, to NAC, that the CSA and this Assignment were duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Vendee and each other, the CSA and this Assignment are each, insofar as each of NAC and the Builder is concerned, a legal, valid and existing agreement binding upon NAC or the Builder, as the case may be, in accordance with its terms and that they are now in force without amendment thereto;

(b) agrees that each will from time to time, at the request of the Assignee or the Vendee or their respective successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee and the Vendee or intended so to be; and

(c) agrees that subsequent to payment in full of the NAC Purchase Price and the Vendee Purchase Price, upon request of the Assignee or the Vendee or their respective successors and assigns, each will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder or NAC, respectively, therein or in the Equipment.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording or depositing of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Agreement shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

PULLMAN INCORPORATED (Pullman
Standard Division),

[Corporate Seal]

by

Attest:

Vice President-Freight Unit

Assistant Secretary

LA SALLE NATIONAL BANK, as Agent,

by _____

[Seal]

Attest:

Authorized Officer

NORTH AMERICAN CAR CORPORATION,

by _____

[Corporate Seal]

Attest:

Asssistant Secretary

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1979, before me personally appeared , to me personally known, who being by me duly sworn, says that he is a Vice President-Freight Unit of PULLMAN INCORPORATED (Pullman Standard Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of 1979, before me personally appeared , to me personally known, who being by me duly sworn, says that he is a of LA SALLE NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,) ')
COUNTY OF COOK,) ss.:
)

On this day of 1979, before me personally appeared , to me personally known, who being by me duly sworn, says that he is of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

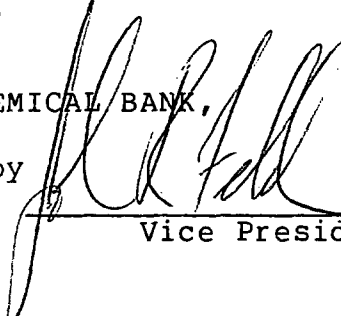
My Commission expires

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of April 1, 1979.

CHEMICAL BANK,

by



Vice President

AGREEMENT AND ASSIGNMENT

NO. 1

Dated as of April 1, 1979

among

PULLMAN INCORPORATED
(Pullman Standard Division),

NORTH AMERICAN CAR CORPORATION

and

LA SALLE NATIONAL BANK,

as Agent

AGREEMENT AND ASSIGNMENT NO. 1 dated as of April 1, 1979, among PULLMAN INCORPORATED (Pullman Standard Division), a Delaware corporation (the "Builder"), NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NAC"), and LA SALLE NATIONAL BANK, a national banking association, acting as Agent under a Participation Agreement dated as of the date hereof (the "Participation Agreement"), said Agent, as so acting, being hereinafter called the "Assignee".

WHEREAS the Builder, NAC and Chemical Bank (the "Vendee") have entered into a Conditional Sale Agreement No. 1 dated as of the date hereof (the "CSA") covering the construction, sale and delivery by the Builder and the purchase by NAC, and the sale and delivery by NAC and the purchase by the Vendee, of the railroad equipment described in Annex B to the CSA (the "Equipment"); and

WHEREAS the Vendee and Peavey Company (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease") providing for the lease to the Lessee of the Equipment;

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (this "Assignment") WITNESSETH: that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder and NAC, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. NAC hereby assigns, transfers and sets over unto the Assignee, its successors and assigns:

(a) all the right, title and interest of NAC in and to each unit of Equipment when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to NAC of the amount required to be paid pursuant to Section 4 hereof;

(b) all the right, title and interest of NAC in and to the CSA (except the right to deliver the

Equipment and the right to receive the payments specified in Paragraph 4.3(a) thereof and reimbursement for taxes paid or incurred by NAC), and except as aforesaid in and to any and all amounts which may be or become due or owing to NAC under the CSA on account of the indebtedness in respect of the Vendee Purchase Price (as defined in Paragraph 4.1 of the CSA) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the CSA, other than those hereinabove excluded; and

(c) except as limited by subparagraph (b) of this paragraph, all NAC's rights, titles, powers, privileges and remedies under the CSA;

without any recourse hereunder, however, against NAC for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the CSA; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder or NAC to deliver the Equipment in accordance with the CSA or with respect to their respective warranties and agreements referred to in Articles 14 and 20 of the CSA or relieve the Vendee from its obligations to the Builder or NAC contained in Articles 2, 3, 4, 6 and 14 of the CSA, it being agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 15 of the CSA, all obligations of the Builder or NAC to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder or NAC. In furtherance of the foregoing assignment and transfer, NAC hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for NAC, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the CSA, but at the expense and liability and for the sole benefit of the Assignee.

SECTION 2. The Builder agrees that it will construct the Equipment in full accordance with the CSA. The Builder and NAC severally agree to deliver the same upon completion to the Vendee in accordance with the provisions

of the CSA; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the CSA set forth to be performed and complied with by the Builder or NAC, as the case may be. The Builder further agrees that it will warrant to the Assignee, NAC and the Vendee, and NAC further agrees to warrant to the Assignee and the Vendee, that at the time of delivery by each such party of each unit of its Equipment under the CSA it had legal title to such unit and good and lawful right to sell such unit and that such unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under the Lease; and NAC and the Builder each further agrees that it will defend the title to such unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such unit by such party under the CSA; all subject, however, to the provisions of the CSA and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to NAC, and NAC will not deliver any unit of Equipment to the Vendee, under the CSA until the CSA, the Lease, this Assignment and the Lease Assignment have been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 (the Builder and NAC being entitled to rely on advice from special counsel for the Assignee that such filing has occurred).

SECTION 3. The Builder and NAC severally agree (each such party hereinafter being called an "Indemnifier") with the Assignee that in any suit, proceeding or action brought by the Assignee under the CSA for any installment of, or interest on, indebtedness in respect of the Vendee Purchase Price of the Equipment or to enforce any provision of the CSA, the Indemnifier will indemnify, protect and hold harmless the Assignee from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee or the Lessee arising out of a breach by such Indemnifier of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee or the Lessee by such Indemnifier. The Indemnifier's obligation so to indemnify, protect and hold harmless the Assignee is conditional upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 15 of the CSA, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or

the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to such Indemnifier of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving such Indemnifier the right, at such Indemnifier's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

Except in cases of articles or materials specified by the Vendee or the Lessee and not manufactured by the Builder and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by the Builder, the Builder agrees, except as otherwise specifically provided in Annex A to the CSA, to indemnify, protect and hold harmless the Assignee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Assignee or its assigns because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. The Assignee will give prompt notice to the Builder of any claim actually known to the Assignee which is based upon any such alleged infringement and will give to the Builder the right, at the Builder's expense, to compromise, settle or defend against such claim. The Builder agrees that any amounts payable to it by the Vendee or the Lessee with respect to its Equipment, whether pursuant to the CSA or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon such Equipment or any unit thereof.

SECTION 4. The Assignee, on each Closing Date fixed as provided in Paragraph 4.2 of the CSA with respect to the Equipment of the Builder, shall pay to NAC an amount equal to the portion of the Vendee Purchase Price of the Equipment as shown on the invoice therefor then being settled for which, under the terms of Paragraph 4.3(b) of the CSA, is payable in installments, provided that the conditions specified in Paragraphs 6 and 7 of the Participation Agreement have been satisfied and there shall have been delivered to the Assignee (with a copy to NAC and the Vendee) on or prior to such Closing Date, the following documents, in form and

substance satisfactory to it and to Messrs. Cravath, Swaine & Moore, special counsel to the Assignee, in such number of counterparts as may be reasonably requested by said special counsel:

(a) a bill or bills of sale from the Builder to NAC acknowledging receipt by the Builder of full payment of the purchase price of such units, transferring to NAC and its successors and assigns all right, title and interest of the Builder in such units, warranting to NAC and its successors and assigns, to the Vendee and to the Assignee that, at the time of delivery to NAC of such units under the CSA, the Builder had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by the Builder to NAC under the CSA;

(b) a bill or bills of sale from NAC to the Vendee transferring to the Vendee and its successors and assigns all right, title and interest (other than the security interest assigned to the Assignee) of NAC in such units, warranting to the Vendee and the Assignee that, at the time of delivery to the Vendee of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA, the Assignee under this Assignment and the Lessee under the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(c) a bill or bills of sale from NAC to the Assignee transferring to the Assignee the security interest of NAC in such units, warranting to the Assignee and to the Vendee that, at the time of delivery of such units under the CSA, NAC had legal title to such units and good and lawful right to sell such units and such units were free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the CSA and the rights of the Lessee under

the Lease, and covenanting to defend the title to such units against demands of all persons whomsoever based on claims originating prior to the delivery of such units by NAC to the Vendee under the CSA;

(d) a Certificate or Certificates of Acceptance on behalf of NAC, the Vendee and the Lessee with respect to the units of the Equipment as contemplated by Paragraph 3.4 of the CSA and § 2.1 of the Lease;

(e) NAC's Invoice (as defined in Paragraph 4.1 of the CSA) for the units of the Equipment accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(f) an opinion of counsel for the Builder, dated as of the Closing Date, addressed to the Assignee, NAC and the Vendee, to the effect that the bill or bills of sale described in clause (a) above have been duly authorized, executed and delivered by the Builder and are valid and effective to transfer to NAC all right, title and interest of the Builder in the units of the Equipment, free from all claims, liens, security interests and other encumbrances (other than those created by the CSA and the rights of the Lessee under the Lease) arising from, through or under the Builder;

(g) an opinion of counsel for NAC, dated as of the Closing Date, addressed to the Assignee and the Vendee, to the effect that the bill or bills of sale described in clause (c) above have been duly authorized, executed and delivered by NAC and are valid and effective to vest in the Assignee the security interest of NAC in the units of the Equipment, free from all claims, liens, security interests and other encumbrances at the time of delivery to the Vendee (other than those created by the CSA and the rights of the Lessee under the Lease) arising from, through or under NAC; and

(h) a receipt from NAC for any payment (other than the payment being made by the Assignee pursuant to the first paragraph of this Section 4) required to be made on such Closing Date to NAC with respect to the Equipment, unless such payment is made by the Assignee with funds furnished to it for that purpose by the Vendee.

The obligation of the Assignee hereunder to make payment for any of the Equipment assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Participation Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amount required to be paid by it pursuant to Paragraph 4.3(a) of the CSA. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to NAC, without recourse to the Assignee, all right, title and interest of the Assignee in and to the units of Equipment with respect to which payment has not been made by the Assignee.

SECTION 5. The Assignee may assign all or any of its rights under the CSA, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 15 of the CSA, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

SECTION 6. The Builder and NAC each hereby

(a) represents and warrants to the Assignee, the Vendee and their respective successors and assigns, and in the case of the Builder, to NAC, that the CSA and this Assignment were duly authorized by it and lawfully executed and delivered by it for a valid consideration, that, assuming due authorization, execution and delivery by the Vendee and each other, the CSA and this Assignment are each, insofar as each of NAC and the Builder is concerned, a legal, valid and existing agreement binding upon NAC or the Builder, as the case may be, in accordance with its terms and that they are now in force without amendment thereto;

(b) agrees that each will from time to time, at the request of the Assignee or the Vendee or their respective successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do all such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee and the Vendee or intended so to be; and

(c) agrees that subsequent to payment in full of the NAC Purchase Price and the Vendee Purchase Price, upon request of the Assignee or the Vendee or their respective successors and assigns, each will execute any and all instruments which may be necessary or proper in order to discharge of record the CSA or any other instrument evidencing any interest of the Builder or NAC, respectively, therein or in the Equipment.

SECTION 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all the rights conferred by 49 U.S.C. § 11303, such additional rights arising out of the filing, recording or depositing of the CSA and this Assignment as shall be conferred by the laws of the several jurisdictions in which the CSA or this Agreement shall be filed, recorded or deposited, or in which any unit of the Equipment shall be located, and any rights arising out of the marking on the units of Equipment.

SECTION 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Assignee shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

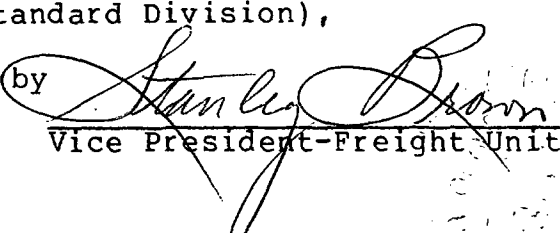
PULLMAN INCORPORATED (Pullman
Standard Division),

[Corporate Seal]

Attest:

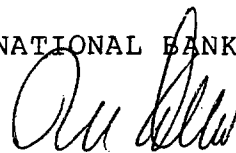

Assistant Secretary

by


Vice President-Freight Unit

LA SALLE NATIONAL BANK, as Agent,

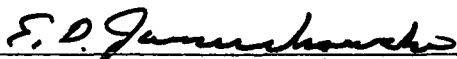
by



Vice Pres.

[Seal]

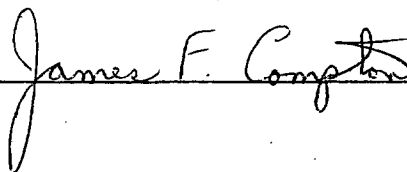
Attest:



Authorized Officer

NORTH AMERICAN CAR CORPORATION,

by



[Corporate Seal]

Attest:



Assistant Secretary

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 22 day of June 1979, before me personally appeared Stanley Brown, to me personally known, who being by me duly sworn, says that he is a Vice President-Freight Unit of PULLMAN INCORPORATED (Pullman Standard Division), that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Janice K. Renter
Notary Public

[Notarial Seal]

My Commission expires 8-8-79

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 22 day of June 1979, before me personally appeared E. K. WEBER, to me personally known, who being by me duly sworn, says that he is a VICE PRESIDENT of LA SALLE NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Patricia M. Kennedy
Notary Public

[Notarial Seal]

My Commission expires

My Commission Expires August 24, 1982

STATE OF ILLINOIS,) ¹
) ss.:
COUNTY OF COOK,)

On this 21st day of June 1979, before me personally appeared James F. Campbell, to me personally known, who being by me duly sworn, says that he is Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Debra A. Kelly
Notary Public

[Notarial Seal]

My Commission expires 2/23/83

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of April 1, 1979.

CHEMICAL BANK,

by

Vice President